

AMMO  
SUMMIT  
98

15 SEP 98

# INDUSTRIAL BASE ( REPLENISHMENT )

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# MUNITIONS REQUIRED

## Over 3-Year Period Following Conflict

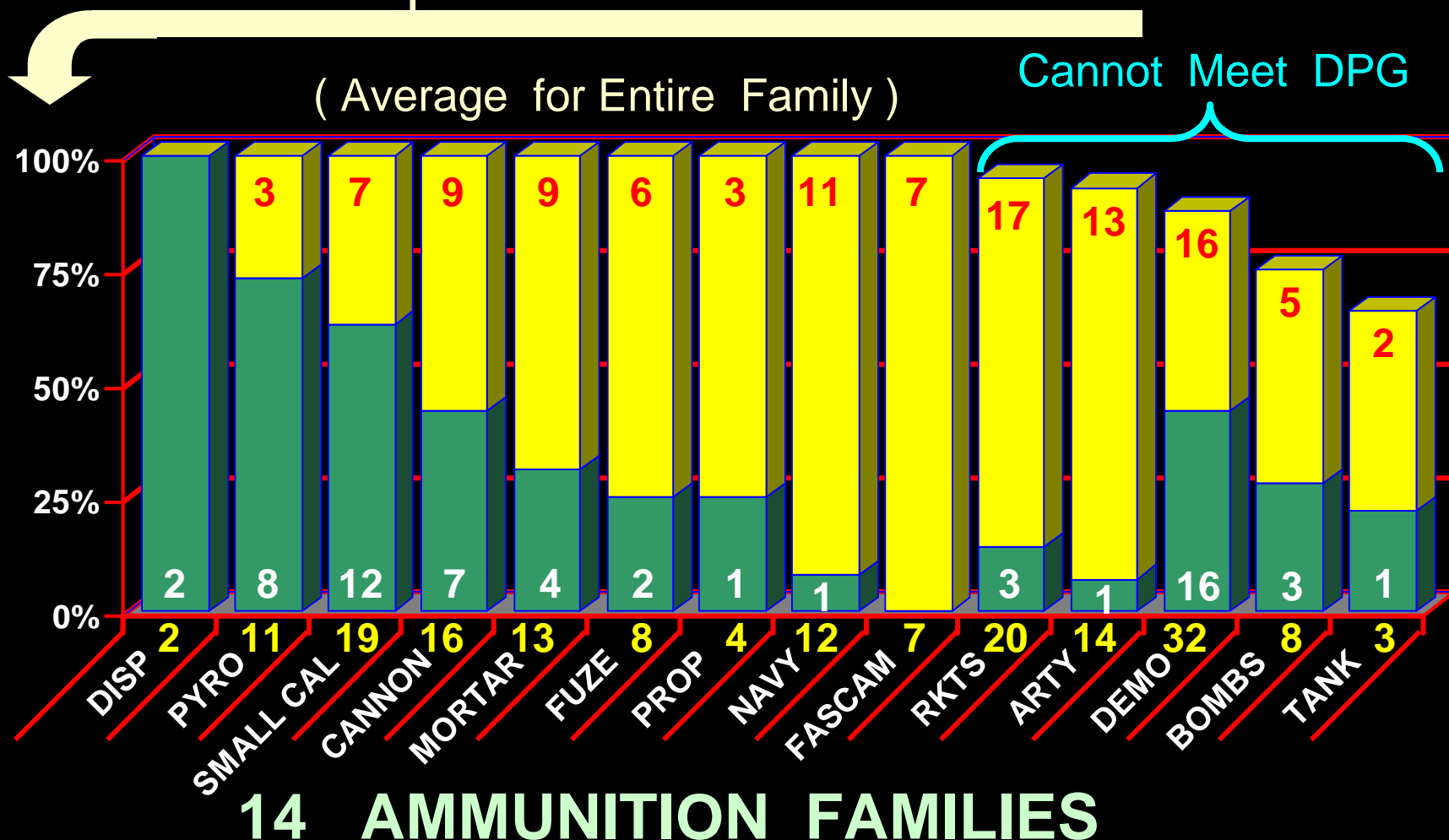
	<u>NO. ITEMS PER FAMILY</u>	<u>QTY REQD IN 3 YRS</u>	<u>CANNOT SATISFY</u>	<u>POM BUYS</u>
ARTY	14	2,400,000	1	1
BOMBS	8	300,000	2	3
CANNON CAL	16	31,800,000		7
DEMO/MIINES/GREN	32	5,100,000	4	16
DISP MUNITIONS	2	5,500,000		2
FASCAM	7	600,000		
FUZE	8	3,200,000		2
MORTAR	13	1,700,000		4
NAVY GUN	12	200,000		1
PROP CHG	4	2,200,000		1
PYRO	11	10,700,000		8
RKTS / WHD	20	1,200,000	1	3
SMALL CAL	19	1,400,000,000		12
TANK	3	130,000	1	1
	<hr/> 169		<hr/> 9	<hr/> 61

# CURRENT BASE POSITION ON REPLENISHMENT

NO BUYS

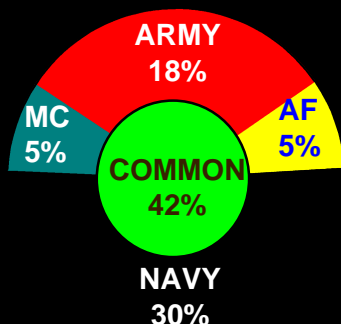
POM Buys

Percent Replenished Within 3 Years



# AMMUNITION ITEMS

## SMCA Replenishment



169 ITEMS → 9 with a SHORTFALL  
( ALL SMCA REPLENISHMENT PLANNED ITEMS )

ARMY ITEMS 94 ITEMS → 6 with a SHORTFALL  
( 30 Army Unique + 64 Common to other services )

WAR RESERVE (POM) → 29 with a SHORTFALL

OPLAN (Go to war today) → 46 with a SHORTFALL

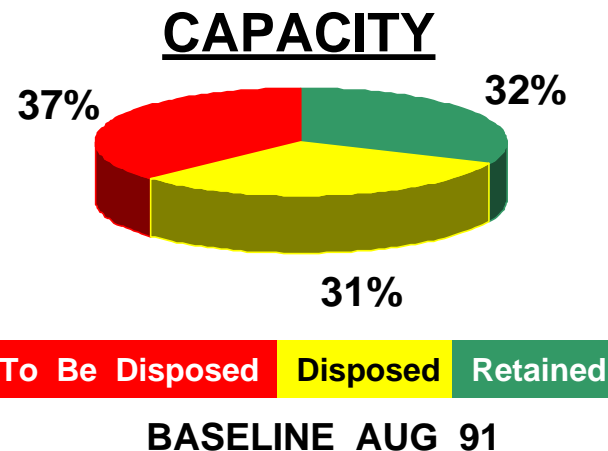
# MUNITIONS BASE SIZING

## BASE EVOLUTION



## APPROX 68% CAPACITY REDUCTION

FY 1990	FY 1998
• 28 GOVERNMENT	• 13 GOVERNMENT
• 163 CONTRACTORS	• 72 CONTRACTORS
• 36 WITH GOV'T INVESTMENT	• 16 WITH GOV'T INVESTMENT



# FUTURE OF THE GOVERNMENT- OWNED AMMO BASE?

- ➔ 16 PEPs: Reduce thru Excess - to - Ownership
- ➔ MSAAP: Explore Relocating Grenade Line
- ➔ SCAAP: Pursue Excess - to - Ownership
- ➔ RBAAP: Pursue Competitive Excess - to - Ownership
- ➔ LAP: Pursue Reducing  
One Facility
- ➔ Continue Reducing Footprint



# HOW LONG WILL WE NEED THE CONVENTIONAL BASE?

UNTIL TECHNOLOGY LEAPS AHEAD TO ...

TRI-NITRO CUBAN

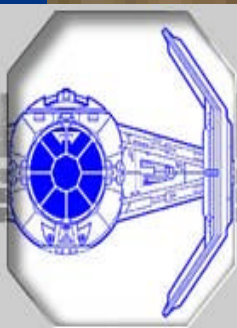
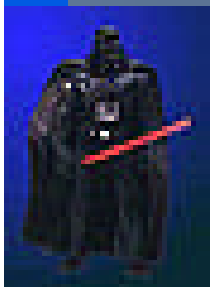
NEUTRINO

ENERGY BEAM

BULLET

AND TRANSITIONS FROM CONCEPT...

TO SOLDIER  
IN THE FIELD



# AMMUNITION ORGANIC PRODUCTION BASE

## ACTIVE

LAP > IOWA, MILAN  
& LONE STAR

PROPELLANT > RADFORD

EXPLOSIVE > HOLSTON

SMOKE > PINE BLUFF

SMALL ARMS > LAKE CITY

BOMB > McALESTER

NAVY GUN & PYRO > CRANE

## INACTIVE

ARTILLERY SHELL > LOUISIANA

GRENADES > MISSISSIPPI

CTG CASES  
GRENADES > RIVERBANK

## ARMY RESERVE PLANT

ARTILLERY SHELL > SCRANTON



# ACTIONS

- ➔ **XMAT approach for Holston AAP**
- ➔ **Disposal contract for Longhorn AAP**
- ➔ **Test with COE: Cornhusker AAP**
- ➔ **Teaming with GSA, COE, AMC, DA: Indiana AAP**
- ➔ **Linking replenishment and peacetime in acquisition**
- ➔ **Combining / grouping items**
- ➔ **Multiple-year contracts**
- ➔ **Facility contracting**
- ➔ **Delta contracting**
- ➔ **Excess to ownership**

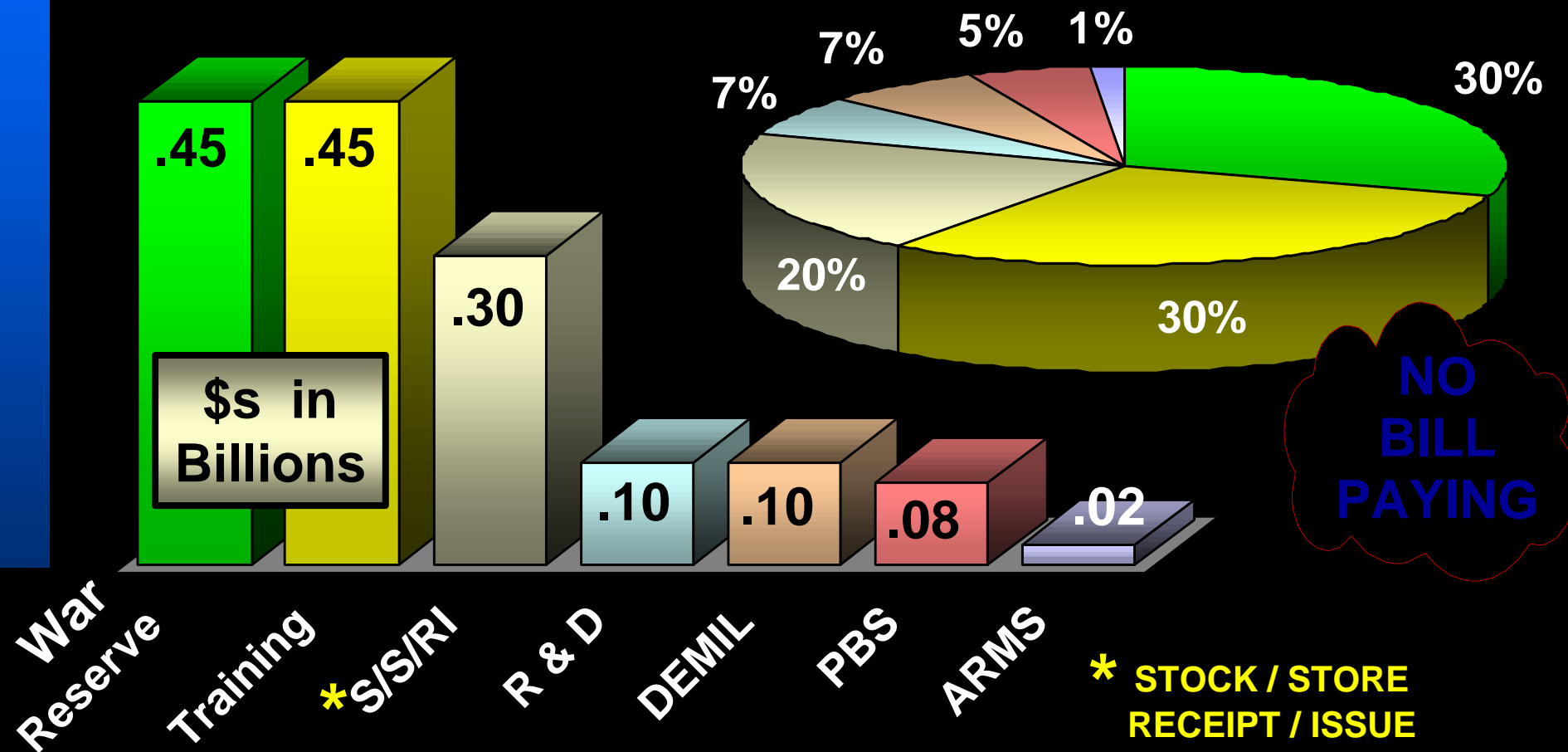
# POTENTIAL PITFALLS

- ➔ **Sub Optimization of Existing Base**
- ➔ **Base Sized for Only Peacetime**
- ➔ **Site Manager - No Production Skills**
- ➔ **Repetitive Investment Costs & Learning Curve**

# HOW WE SHOULD OPERATE

## AMMUNITION BUDGET

FIXED AT \$1.5B / YR PLUS INFLATION



# MOST LIKELY SCENARIO

“It's tough to make predictions, especially about the future.”

Less money for base with increasing F&O competition.

Questioned to death.

More studies.

Bill payer material.

Companies hanging on until all profit is gone.

Encourage private / contractor investment...

...saves 20% so we can compete.

More mergers.

International buys.

“It's deja vu all over again!”

